

GREEN COUNTY 2010 BUDGET REPORT OF THE FINANCE COMMITTEE

The proposed budget for 2010 as presented here requires a preliminary tax levy of \$16,457,820, which represents actual operating costs for Green County. It is the intent of the Finance Committee to apply all of the projected 2009 sales tax collections to the levy to provide property tax relief to the taxpayers of Green County. Our recommendation is to apply \$2,078,566 of sales tax revenue to the 2010 budget, \$1,121,250 toward debt service payments and \$957,316 toward general operations, to reduce the net levy to \$14,379,254. This corresponds to a levy rate of \$5.40 per \$1,000 of property value. In comparison to the 2009 levy, the 2010 tax levy increase of \$1,454,892 is equivalent to 55 cents for each \$1,000 of property value.

The State has continued the levy limits for municipalities for the next two years. The levy limit for 2010 is 3% above last year's levy, an allowable increase of \$341,959. Green County was allowed a one-time carryover of \$281,919 which was unused levy capacity from 2008. We have included this amount in the total levy but have set aside \$259,870 toward road repairs on County J that must be completed by the end of 2011.

In a special referendum election on October 6th, county voters approved a referendum to exceed the levy limits by up to \$890,000 per year for the next 5 years to offset the costs of operating the Pleasant View Nursing Home. We have levied \$819,286 for this purpose in 2010. Of the total tax levy percentage increase in 2010 of 11.26%, the nursing home is 6.33% of the total increase. The tax levy also includes the following amounts that are excluded from the levy limit: Debt Service payments of \$1,121,500, Bridge & Culvert Repairs of \$54,031 and Library payments of \$399,704. These special items are increased 1.58% above 2009 amounts.

We have designated a portion of the 2010 tax levy toward replenishment of the undesignated general fund which will be reduced by the supplemental funding needed at the end of 2009 for the nursing home, projected at \$543,500. The budget reflects an amount of \$653,377 in our undesignated general fund at the end of 2009. This amount is equal to about 4% of our general fund expenditures for 2010, considerably less than the 10-20% recommended by our auditors. We are proposing an increase to approximately \$1,600,000, about 10%.

Personnel costs continue to account for a large portion of county expenses, about 53% in the 2010 budget; slightly more than 2009 due to increased costs of health insurance and state retirement contributions. Contracts with all 6 union groups will expire at the end of 2009. The 2010 budget freezes wages for all employees. Negotiations with union groups will also include changes to the health insurance, similar to those already in place for non-union employees.

We want to thank the department heads for their consistent hard work in submitting their budgets, and their willingness to work with the Finance Committee to develop a workable budget. It is often difficult to make additional reductions to budgets that already include only minimal increases for non-payroll items. As a County we must remember that our job is to provide services to the citizens of Green County. Every

day we deal with increased expenses such as utilities, supplies, and fuel; as well as increasing personnel costs, yet the state continues to limit our ability to fund programs. As the costs of maintaining service levels continues to rise without increases in state aid, county contributions will have to increase or a reduction in services will be inevitable.

We urge you to study this document carefully and review the supplementary schedules that are included. Questions regarding this budget may be directed to any of the various department heads that provided the basic data contained in the budget, the Finance Committee, or the Accounting office. We submit this 2010 Green County Budget for your consideration and approval.

Finance & Accounting Committee

Harvey Mandel, Chairman